

**Amendments to the Claims:**

The following listing of claims will replace all prior versions, and listings, of claims in the application:

1. (Currently Amended) An electro-optical device comprising:

a first substrate having an alignment layer that has been subjected to a rubbing process,

a second substrate, opposed to the first substrate and having an alignment layer that has been subjected to a rubbing process,

an electro-optical material interposed between the first substrate and the second substrate,

a step portion, formed in the surface of the alignment layer of at least one of the first substrate and the second substrate, and downwardly rubbed in the direction of the rubbing process, and

a light shield layer formed in an area facing the step portion that is downwardly rubbed in the direction of the rubbing process, on at least one of the first substrate and the second substrate.

wherein  $0.5D < W1$  and  $d1 + 300\text{nm} < D$

wherein D is a thickness of the electro-optical material between the first substrate and the second substrate, except the step portion, W1 is a spacing between adjacent pixel electrodes, and d1 is a thickness of the electro-optical material at the step portion between the first substrate and the second substrate.

2-4. (Canceled)

5. (Original) The electro-optical device according to Claim 1, wherein the step portion is at a hollow portion that is formed to extend in a direction intersecting the direction of the rubbing process.

6. (Original) The electro-optical device according to Claim 5, wherein the hollow portion is a groove formed in one of the first substrate and the second substrate, and a line is arranged in the area of the groove.

7. (Original) The electro-optical device according to Claim 6, wherein the upwardly rubbed portion of the hollow portion which is upwardly rubbed in the direction of the rubbing process is not opposed to the light shield layer.

8. (Original) The electro-optical device according to Claim 1, wherein one of the first substrate and the second substrate comprises a plurality of pixel electrodes, and an area of the substrate corresponding to the spacing between adjacent pixel electrodes which are driven in the same polarity is subjected to a planarizing process.

9. (Original) The electro-optical device according to Claim 8, wherein the planarizing process is performed by forming a groove in the substrate and arranging a line in the area of the groove.

10. (Original) The electro-optical device according to Claim 8, wherein the distance between the adjacent pixel electrodes which are driven in the same polarity is larger than the layer thickness of the electro-optical material.

11. (Original) The electro-optical device according to Claim 1, wherein the direction of the rubbing process is perpendicular to the downwardly rubbed portion of the step portion.

12-33. (Canceled)

**BEST AVAILABLE COPY**